

**THE SUMMIT RESIDENTIAL OWNERS ASSOCIATION
SPECIAL OWNERS MEETING
September 12, 2005
2:30 pm**

Owners present on telephone: Pete Chamberland
 Christine Smith
 Ian Fisher
 Don Baker
 Lynn Frates

Owners Present in person: Beverly Baker
 Fred Hallett
 Pat McNamar
 Mark Miller
 Craig Batchelor
 Jeff Hermanson
 John Burke

Others Present: Jim Gebhart, Realtor
 Jon Schumacher, Cliggett & Associates

Management Company
Present: Reed Meredith

Member Represented	Lot	Percentage
Beverly Baker	1	2.38
Open Door LLC (proxy McNamar)	2	2.38
Pete Chamberland (proxy McNamar)	3	2.38
Zuni III Trust – Mark Miller	4	2.38
Gerard Broccolo (proxy McNamar)	5	2.38
Ian Silverberg (proxy Hallett)	6	2.38
Sherman Street Holdings, Jeff Hermanson	7	2.38
Travis Morrison (proxy McNamar)	10	2.38
Craig Batchelor	13	2.38
Gabriel Barbier Mueller (proxy Miller)	14	2.38
Gabriel Barbier Mueller (proxy Miller)	15	2.38
William & Lyn Frates (proxy Beverly Baker)	16	2.38
Grant & Anita Tideman (proxy Hallett)	17	2.38
BLS Realty Corp (proxy Beverly Baker)	19	2.38
Grayson & Patricia Connor (proxy McNamar)	21	2.38
BLS Realty Corp (proxy Beverly Baker)	23	2.38
Beverly Baker	24	2.38
Sherman Street Holdings, Jeff Hermanson	25	2.38
Ian Fisher (proxy Hallett)	27	2.38
Fred Hallett	31	2.38
Fred Hallett	32	2.38
Pat McNamar	33	2.38
Sherman Street Holdings, Jeff Hermanson	34	2.38
Steven Csuotoros (proxy McNamar)	37	2.38
Liam Ltd Properties LLC (proxy McNamar)	38	2.38
John Burke	39	2.38
J.Jerry Wright (proxy Beverly Baker)	41	2.38
TOTAL REPRESENTATION		64.26

A quorum was established with 27 out of 42 lots represented either in person or by proxy. Proof of notice was submitted as being sent August 8, 2005, which is 36 days prior to today's meeting.

Association President, Beverly Baker, opened the meeting and informed all participants on the telephone that for purposes of creating meeting minutes the meeting was being recorded.

Discussion took place regarding the Memorandum of Agreement executed between the Summit Board and the Nevada Ridge developers.

Summit Association attorney, Jon Schumacher, presented a brief synopsis of history of the ski access issue. In November of 2003, the Summit Board asked Cliggett & Associates to look into the issue of skier access. At that time, Nevada Ridge had a sketch plan that they had presented to the town, which had concerned The Summit. Cliggett & Associates determined that there was no written

recorded easement for any Summit access across the Nevada ridge property. What does exist is a recorded easement by CBMR which runs through the Nevada Ridge property as a skier access easement. The Summit Association position has been that its' owners have enjoyed access over the Nevada Parcel since its approval by the town, and that the Summit owners have an irrevocable right, prescriptive easement, through use. The latest Nevada Ridge plan did not provide adequate skier access, particularly for the lower Summit lot owners, in the opinion of the Summit Board. Therefore, the Summit has opposed the Nevada Ridge development. The Town of Mt. Crested Butte Planning Commission has encouraged the Summit and Nevada Ridge to work out the access issue among themselves, prior to the town's final plan review.

The Summit Board has negotiated with Nevada Ridge and reached what it feels is an acceptable compromise, specified in the Memorandum of Agreement. This Agreement stipulates that the Summit will purchase for \$70,500 the 40' wide strip of land adjacent to the Summit-Nevada Ridge boundary for use as a skier access. In addition, a contribution by the Summit for the cost of a retaining wall, constructed adjacent to the 40' access, and necessary to maintain a skiable grade on that 40' access, will be capped at \$150,000. This is all contingent upon the town's final plan approval of the NR application.

Current status – the Mt. Crested Butte Town Council met on Tuesday 9/6, and held public hearing on the Nevada Ridge application. This public hearing has now been continued to October 4th. The Town has placed 22 conditions for approval on the current Nevada Ridge application. The town feels that all of the 22 points have to be resolved prior to the towns preliminary approval.

Craig Batchelor stated that he felt that the Summit owners should not have to pay any cost due to the fact that the skier access will also benefit the Nevada Ridge owners. Having said this, he continued that he did not want to jeopardize this agreement as he feels that the \$70,500 is a reasonable amount.

John Burke asked if the Agreement would allow the Summit to purchase the 40' strip of land if NR plan is not approved by the town. Beverly Baker responded that it does not but that it doesn't preclude it either. Burke feels that the Summit should pursue the purchase of the 40' strip of land whether or not the Nevada Ridge plan of development is approved by the town.

Craig Batchelor stated that, from conversations with council members, he feels that the Nevada Ridge project is going to be approved by the town.

Mark Miller asked if the culvert trail has become part of the PUD application. Jon Schumacher responded that it has.

The next meeting of the Town Council is October 4th. At that meeting preliminary plat approval for Nevada Ridge could be issued. All of the 22 conditions need to be addressed by Nevada Ridge prior to final plan approval by the town.

Pete Chamberland stated that he feels that if the Summit owns the 40' strip of land, then the Summit will control its destiny in regard to skier access.

Chris Smith asked about the feasibility of obtaining an easement from CBMR, for access through the Peachtree Parcel.

Fred Hallett responded that Nevada Ridge is going to designate an 8' wide strip of land to the Peachtree parcel that will be public domain. CBMR will dedicate an equal 8' area for use, totaling a 16' wide easement running adjacent to the western boundary of Nevada Ridge. CBMR has also indicated that they will groom these skier access trails but that there will be a cost associated with this.

Jon Schumacher stated that at an earlier public hearing, Nevada Ridge had indicated that CBMR would groom for first 5 years at no cost. Fred Hallet commented that nothing to this effect had been stated in writing.

Beverly Baker asked for other comments from the owners.

John Burke stated that he did not feel that the Summit would need the \$70,500 for some time due to the fact that Nevada Ridge has 22 conditions for approval.

Fred Hallet stated that the Summit needs to collect the money now so that on the day that Nevada Ridge receives final plat approval, the Summit can close on the 40' property immediately.

Ian Fisher left the telephone call at this time.

Beverly Baker reported that the Association has retained Denver counsel, to confirm that the Board had the authority to enter in to the Memorandum of Agreement on behalf of the Summit owners. Denver counsel advises that the Board does have the authority, and was within its authority to take this action. Having said that, the Summit Board wants to have the owners' support in entering into the memorandum of agreement.

Chris Smith asked about the cost and need for the retaining wall.

Fred Hallet responded that there are actually 2 retaining walls, one on the Nevada Ridge side of the 40' access, and the other is actually 10' in to the access. He stated that it may be possible to move the inside retaining wall within 2 feet of the property line (NR line) if necessary. This would actually improve the Summit position as it would make the ski access wider.

Craig Batchelor stated that he wanted to recognize the outstanding job that the Summit Board has done and stated that he was supportive of this agreement.

John Burke asked if it was the intention of the Association to address the issue of the Summit lower lots access in the future. He wants assurance that this is only the first step – that the Board will continue to look at obtaining access for the lots on the lower part of the Summit – to access the slopes without having to go across the Nevada Ridge property.

Beverly Baker responded that, this is only the first step and that the Board will continue to work to obtain skier access for all Summit lots. She also stated that the internal ski easements which exist within the summit need additional work.

Beverly Baker stated that while the Board has been advised by counsel that they were justified in entering into the Memorandum of Agreement, they would like feedback from the owners of their approval or disapproval of this action.

The following motion was made and seconded:

MOTION: The owners support the action of the Board in entering into the memorandum of agreement with the Nevada Ridge development for the purchase of the 40' strip of land to be used as a skier access and for the building of the retaining wall.

Beverly Baker asked those owners on the telephone if they'd like to instruct their proxy holders how they wished their proxies to be voted.

Lynn Frates indicated that while she supported the purchase of the 40' strip of land for \$70,500 she was uncertain about supporting the \$150,000 to the retaining wall construction , and would therefore instruct Beverly Baker to vote her proxy no.

Chris Smith instructed Beverly Baker to vote her 2 proxies no.

Fred Hallett, Pat McNamar, and Mark Miller indicated that they had already spoken to their proxy holders about this issue and were prepared to vote.

Role call vote was taken with the following outcome:

Vote: 23 – Yes

3 – No

1 - Abstain

The motion was approved.

The following motion was made and seconded:

MOTION: The Board will use its best efforts to perfect the additional access easements for the benefit of the lots on the lower side of the summit as well as the other internal easements that are necessary.
The motion was unanimously approved.

Jeff Hermanson left the meeting at this time and gave his proxies for his 3 lots to Fred Hallett. The proxies were presented to the recording secretary.

Craig Batchelor left the meeting at this time.

The following motion was made and seconded:

MOTION: To authorize the Board to execute the final memorandum of agreement and to enter in to any subsidiary agreements which may be necessary.

Vote: 23 – Yes

3 – No

The motion was approved.

Beverly Baker asked Summit developer Chris Smith if she would like to comment at this time on any contribution that she'd be willing to make to offset the costs incurred by the Association so far. Chris Smith declined comment.

Craig Batchelor rejoined the meeting at this time.

Beverly asked for owner comments on the 2005 revised budget.

The following motion was made and seconded:

MOTION: To approve the revised 2005 budget as presented.

Vote: 23 – Yes

3 – No

1 - Abstain

The motion was approved.

Beverly Baker informed the owners that the Board of Directors would be reconvening their special meeting and moving into executive session to discuss legal matters.

There being no further business the meeting was adjourned.

Respectfully Submitted,

Accepted By,

Reed Meredith, Recording Secretary

Beverly Baker, President
The Summit Owners Association Board of Directors